

Message Text

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ACTION IO-14

INFO OCT-01 AF-10 ARA-14 EUR-12 NEA-10 ISO-00 AID-05

IGA-02 EB-07 OMB-01 TRSE-00 L-03 ABF-01 OIC-02

EA-09 SP-02 PC-05 EPG-02 CIAE-00 INR-07 NSAE-00

PRS-01 PA-02 USIA-15 FSE-00 /125 W

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FM USMISSION GENEVA

TO SECSTATE WASHDC 8179

INFO USMISSION USUN

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AMEMBASSY BRASILIA

AMEMBASSY FREETOWN

AMEMBASSY ISLAMABAD

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

UNCLAS GENEVA 4707

E.O. 11652: N/A

TAGS: EAID, UNDP

SUBJ: 24TH UNDP GOVERNING COUNCIL - AGENDA ITEM 10(A): OPENING
SESSIONS OF BUDGET AND FINANCE COMMITTEE

1. BUDGET AND FINANCE COMMITTEE OF UNDP GOVERNING COUNCIL HELD
OPENING SESSIONS JUNE 9 IM PM AND JUNE 10 IN AM. UNDP ADMINI-
STRATOR MORSE AND ASSISTANT ADMINISTRATOR HEPPLING REVIEWED AGENDA
ITEM 10(A) (FINANCIAL OUTLOOK FOR 1977-81 AND REVIEW OF 1976), AND
SEVENTEEN COUNTRIES (INCLUDING US) MADE STATEMENTS DURING THE
DISCUSSION. THE COMMITTEE ADJOURNED UNTIL TUESDAY AM, JUNE 14.

2. MORSE AND HEPPLING STATEMENTS FOCUSSED ON FINANCIAL DATA IN
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DOCUMENT DP/266 AND ON MAJOR UNRESOLVED PROBLEMS FOR SECOND IPF
CYCLE. AMONG SIGNIFICANT POINTS WERE THE FOLLOWING:

-COST SHARING: MORSE REQUESTED COUNCIL'S VIEWS ON COST-
SHARING GUIDELINES, INCLUDING CHANGING ITS NAME TO "JOINT
FINANCING"; LIMITING ARRANGEMENTS TO THE IPF LEVEL OR TO
\$10 MILLION; AND PROCEDURES FOR APPROVING THIRD COUNTRY
FINANCING.

-ADMINISTRATIVE AND PROGRAM SUPPORT COSTS: MORSE MAINTAINED THAT THESE WERE REASONABLE (6 PERCENT AND 8.1 PERCENT RESPECTIVELY) EVEN COMPARED TO COSTS IN BILATERAL ASSISTANCE; MULTILATERAL AID HAD TO INCLUDE SERVING GOVERNING BODIES, INTERAGENCY CONSULTATIONS, THE MELDING OF UNICERSAL IMPUTS, PIONEERING PROJECTS SUCH AS TCDC, AND INTEGRATING MULTINATIONAL STAFFS.

-CUSTODIANSHIP OF UNDP FUNDS: THERE HAS BEEN PROGRESS IN NEGOTIATIONS WITH UN ON SPECIFIC DELEGATIONS OF AUTHORITY. MORE DETAILE WILL BE AVAILABLE TO 25TH GC.

-SYSTEM-WIDE FINANCIAL INFORMATION NETWORK: PILOT PROJECTS ARE CLOSE TO IMPLEMENTATION STAGE WHICH WILL LINK UNDP HEAD-QUARTERS, FIELD OFFICES AND THE SPECIALIAZED AGENCIES; AND WHICH WILL PERMIT BETTER CONTROLS OVER UNDP'S PROGRAM.

-SIDFA: MORSE REQUESTED VIEWS ON UNIDO'S REQUEST FOR UNDP TO FUND EIGHT ADDITIONAL SIDFA PERSONNEL IN 1978;

-NON-CONVERTIBLE CURRENCIES: MORSE REPORTED ON HIS TRIP TO USSR AND EASTERN EUROPE. RESULTS INCLUDED: A) PLANNED MEETING BETWEEN USSR REPS AND UNDP AND AGENCIES TO DEVELOP INTENSIFIED PROGRAM OF UTILIZATION, CONSISTENT WITH UNDP REGULATIONS; AND B) ASSURANCES THAT USSR WILL ALLOW PART OF ACCUMULATION TO BE USED TO BUY NEEDED LDC CURRENCIES, AS WELL AS TO STUDY POSSIBILITY ON "TRANSFERABILITY" OF UNDP RUBLES.

3. INTERVENTIONS BY GOVERNMENTS FOCUSED ON (A) LOW LEVEL OF PROGRAM DELIVERY FORECAST FOR 1977 AND 1978; (B) CALLS FOR INCREASED AND (AS SWEDEN RECOMMENDED) MULTI-YEAR CONTRIBUTIONS; (C) DIVERSE VIEWS ON COST-SHARING AND THIRD PARTY FINANCING. INTEREST IN NON-CONVERTIBLE CURRENCY ISSUE WAS LOW-KEY, SUPPORTIVE

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OF MORSE'S EFFORTS TO DATE, AND INDICATIVE OF GENERAL WILLINGNESS TO AWAIT MORE DETAILE AT 25TH GC.

4. USDEL (KURTZER) PRESENTED OVERVIEW OF US POSITION AND COMMENTS ON COST-SHARING AND NON-CONVERTIBLE CURRENCY ISSUE (TEST IN AIRGRAM). OTHER DELS (CANADA AND SOME WEOS, SIERRA LEONE AND EVEN USSR) WELCOMED MILD REFERENCES TO CURRENCY ISSUE.

5. COMMENT ON BASIS OF PREVAILING GC ATTITUDE, USDEL HAS CHOSEN TO PROD, BUT NOT PUSH, ON NON-CONVERTIBLE CURRENCY ISSUE, WITH EXPECTATION THAT GC WILL ADOPT MILD DECISION CALLING FOR IMPLEMENTATION OF 23RD GC DECISION AND NOTING PROMISE OF FURTHER DETAILS TO BE PRESENTED TO 25TH GC. MAJOR ISSUES APPEAR TO BE COST-SHARING (WHICH WILL PROBABLY NOT BE RESOLVED AT THIS SESSION) AND OVERHEAD COSTS (WHICH WILL BE DEBATED STARTING JUNE 14).

END COMMENT.

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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2179191
Secure: OPEN
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Subject: 24TH UNDP GOVERNING COUNCIL - AGENDA ITEM 10(A): OPENING SESSIONS OF BUDGET AND FINANCE COMMITTEE
TAGS: EAID, UNDP
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e1364f7e-c288-dd11-92da-001cc4696bcc
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